



[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9704]

RIN 1545-BK65

Failure to File Gain Recognition Agreements or Satisfy Other Reporting Obligations; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains corrections to final regulations (TD 9704) that were published in the **Federal Register** on Wednesday, November 19, 2014 (79 FR 68763) relating to the consequences to U.S. and foreign persons for failing to file gain recognition agreements (GRAs) or related documents, or to satisfy other reporting obligations, associated with certain transfers of property to foreign corporations in nonrecognition exchanges.

DATES: This correction is effective on **INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER**, and is applicable beginning November 19, 2014.

FOR FURTHER INFORMATION CONTACT: Shane M. McCarrick at (202) 317-6937 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations that are the subject of this document are under sections 367 and 6038B of the Internal Revenue Code.

Need for Correction

As published, final regulations (TD 9704) contain errors that may prove to be misleading and are in need of clarification.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction of Publication

Accordingly, 26 CFR part 1 is corrected by making the following correcting amendments:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 2. Section 1.367(a)-8 is amended by revising the paragraph headings for paragraphs (r)(1) and (r)(1)(i) to read as follows:

§1.367(a)-8 Gain recognition agreement requirements.

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(r) * * * (1) General rule – (i) Transfers occurring on or after March 13, 2009; relief for certain failures that are not willful. * * *

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Par. 3. Section 1.367(e)-2 is amended by revising paragraph (e)(4)(i) introductory text to read as follows:

§1.367(e)-2 Distributions described in section 367(e)(2).

* * * * *

(e) * * *

(4) * * *

(i) General rule. For purposes of this section and except as provided in paragraph (b)(2)(i)(D) or (f) of this section, a failure to comply includes –

* * * * *

Par. 4. Section 1.6038B-1 is amended by revising paragraph (g)(6) to read as follows:

§1.6038B-1 Reporting of certain transfers to foreign corporations.

* * * * *

(g) * * *

(6) The second sentence of paragraph (b)(1)(i) and paragraphs (b)(2)(i)(B)(1), (b)(2)(iii), (b)(2)(iv), (c), (e)(4), (f)(2)(iii), and (f)(2)(iv) of this section will apply to transfers for which documents are required to be filed on or after November 19, 2014, as well as to transfers that are the subject of requests for relief submitted on or after November 19, 2014. The second sentence of paragraph (b)(1)(i) and paragraphs (b)(2)(i)(B)(1), (b)(2)(iii), (b)(2)(iv), (c), and (f)(2)(iii) of this section will also apply to any transfer that is the subject of a request for relief submitted pursuant to §1.367(a)-8(r)(3).

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